

Message Text

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ACTION EB-07

INFO OCT-01 IO-13 ISO-00 CIAE-00 DODE-00 NSAE-00
NSCE-00 SSO-00 USIE-00 INRE-00 STRE-00 AF-10
ARA-10 EA-07 EUR-12 NEA-10 OIC-02 FEA-01 AGRE-00
CEA-01 COME-00 FRB-03 H-01 INR-07 INT-05 L-03
LAB-04 NSC-05 PA-01 EPG-02 AID-05 SS-15 STR-04
ITC-01 TRSE-00 PRS-01 SP-02 OMB-01 /134 W
-----059611 142323Z /70/45

O 141735Z JUL 77

FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 9199

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C O R R E C T E D C O P Y - T E X T (P A R A 3 .)

EB/ITP FOR BARRACLOUGH

STR FOR WOLFF

EO 11652: N/A

TAGS: ETRD, GATT

SUBJECT: THROWN SILK: GATT COUNCIL MEETING JULY 26

REF: STATE 163450

1. WE ASSUME THAT WASHINGTON IS AWARE OF THE RISKS U.S. MAY
BE TAKING IN ASKING GATT COUNCIL FOR DECISION IN THROWN SILK
CASE RATHER THAN FOLLOWING NORMAL GATT DISPUTE SETTLEMENT PRO-
CEDURE OF REFERRING MATTER TO PANEL OR WORKING PARTY.
BY FOLLOWING COURSE OUTLINED REFTTEL, U.S. WOULD BE SETTING
A PRECEDENT THAT COULD BE USED AGAINST US IN FUTURE GATT DIS-
PUTES WITH EC AND LDC'S, WHERE THESE PARTIES COULD MUSTER A
SIGNIFICANT MAJORITY TO SUPPORT THEIR CONTENTIONS IN GATT
COUNCIL. ALTHOUGH COUNCIL RELIES ON CONSENSUS PROCEDURE AND
HAS, TO OUR KNOWLEDGE, NEVER PUT A DISPUTE TO A VOTE, CHAIRMAN
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HAS SOME LATITUDE IN DETERMINING THAT A CONSENSUS EXISTS EVEN
WHEN THERE ARE DISSENTING OPINIONS. (RECENT EXAMPLE WAS
COUNCIL APPROVAL OF WP REPORT ON FINNISH-HUNGARIAN FREE
TRADE OVER OBJECTIONS OF HUNGARY) UPON BEING INFORMED
OF U.S. INTENTIONS, GATT DEPUTY D-G PATTERSON WARNED
THAT U.S. COULD BE SETTING A PRECEDENT IN THIS CASE THAT
COULD BE TURNED AGAINST U.S. TO GENERAL DETRIMENT OF GATT

DISPUTE SETTLEMENT PROCEDURES. IN QUICK CHECK BY SECRETARIAT, ONLY PRECEDENT TO PROPOSED U.S. ACTION WAS COMPLAINT BROUGHT BY U.S. AGAINST CUBA UNDER ART. XXIII IN 1948 (SEE HUDEC, P67) WHEN COUNCIL REFUSED TO TAKE SUMMARY ACTION AND REFERRED THE COMPLAINT TO A WORKING PARTY. PATTERSON RECOMMENDS THAT U.S. PUSH FOR EXPEDITED PANEL, CITING ZENITH ACCELERATED PROCEDURES IF NECESSARY, RATHER THAN RISK SETTING PRECEDENT THAT COULD BACKFIRE ON US.

2. PRESENTATION OF U.S. CASE TO COUNCIL WOULD BE AIDED IF U.S. COULD CIRCULATE WRITTEN NOTIFICATION OF COMPLAINT BEFORE COUNCIL MEETING. WE WOULD ALSO FIND USEFUL SUMMARY OF U.S.- JAPANESE BILATERAL DISCUSSIONS AS WELL AS SUMMARY OR TRANSCRIPT OF 301 HEARINGS.

3. COMMENT: MISSION UNDERSTANDS THAT THROWN SILK CASE, ALTHOUGH OF RELATIVELY MINOR TRADE VALUE IS OF URGENT IMPORTANCE TO INDUSTRY INVOLVED AND OF SYMBOLIC IMPORTANCE FOR CREDIBILITY OF ADMINISTRATION'S 301 PROCEDURES. WHILE WE DOUBT THAT WE CAN MUSTER ENOUGH SUPPORT IN SHORT TIME REMAINING BEFORE GATT COUNCIL TO ACHIEVE A CONSENSUS AND WOULD HAVE TO SETTLE FOR A WP OR PANEL IN ANY CASE, PATTERSON MAKES A VALID POINT THAT U.S. WOULD BE FOLLOWING A COURSE THAT COULD NOT ONLY UNDERMINE ACCEPTED GATT PRACTICE BUT COULD BOOMERANG TO OUR OWN LIMITED OFFICIAL USE

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DETRIMENT. WE RECOMMEND THAT WASHINGTON CONSIDER INSTEAD ADVOCATING RAPID CONSIDERATION OF DISPUTE BY A PANEL OR WP. VANDEN HEUVEL

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SILK, VOTING, DISPUTE SETTLEMENT, POLICIES, MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Handling Restrictions: n/a
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Line Count: 97
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Litigation History:
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